

JAN 07 2025

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS

Nathan Ochsner, Clerk of Court

In re:

COMPUTE NORTH HOLDINGS, INC.,  
et al.,  
*Debtors.*

Case No.: 22-90273  
(Jointly Administered)

Judge: Honorable Judge Marvin Isgur

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**PLAINTIFF'S MOTION FOR IMPOSITION OF CONSTRUCTIVE TRUST**

TO THE HONORABLE JUDGE MARVIN ISGUR AND ALL PARTIES IN INTEREST:

COMES NOW, Plaintiff Vince Faridani, Pro Se, respectfully moves this Court to impose a constructive trust over the funds held by Touzi Capital LLC and Eng Taing in the bankruptcy estate, asserting that said funds were obtained through fraudulent and inequitable conduct. In support of this Motion, Plaintiff states as follows:

**I. INTRODUCTION**

Plaintiff invested \$175,000 with Touzi Capital LLC and its CEO, Eng Taing, based on fraudulent representations regarding the security and profitability of the investment. Subsequent events revealed that Touzi Capital LLC and Eng Taing engaged in deceptive practices, resulting in substantial financial losses to Plaintiff and numerous other investors.

In light of these facts, the ongoing SEC litigation (Case No. 3:24-cv-02179-CAB-VET, filed in the United States District Court for the Southern District of California), and Plaintiff's active pre-existing lawsuit (Case No. 1:24-cv-08030, filed in the United States District Court for the Northern District of Illinois), this Court should impose a constructive trust over the funds held by Touzi Capital LLC to ensure equitable restitution and protect the bankruptcy estate's integrity.

## **II. LEGAL BASIS FOR A CONSTRUCTIVE TRUST**

Under applicable bankruptcy and state law principles, a constructive trust is an equitable remedy imposed to prevent unjust enrichment. The imposition of a constructive trust is appropriate where:

1. The defendant acquired property through fraud, misrepresentation, or other inequitable means.
2. The plaintiff can identify specific funds or assets traceable to the fraudulent conduct.
3. Equity demands restitution to the plaintiff to prevent unjust enrichment.

### **Authority Supporting Constructive Trusts:**

- *Pepper v. Litton*, 308 U.S. 295 (1939): Established the court's equitable power to prevent unjust enrichment through constructive remedies.
- *In re Leitner*, 236 B.R. 420 (Bankr. D. Kan. 1999): Recognized that funds acquired through fraud and misrepresentation are subject to a constructive trust.
- *In re First Capital Holdings Corp.*, 146 B.R. 7 (Bankr. C.D. Cal. 1992): Affirmed the imposition of a constructive trust to ensure equitable restitution for defrauded investors.
- *In re Golden Triangle Capital, Inc.*, 171 B.R. 79 (Bankr. N.D. Tex. 1994): Highlighted that proactive litigation by creditors strengthens claims for equitable remedies.
- *In re Marriage of Allen*, 724 P.2d 651 (Colo. 1986): Imposed a constructive trust on assets where the claimant filed a lawsuit and demonstrated active steps to address fraudulent or inequitable conduct.

### **III. FACTUAL BACKGROUND**

#### **A. Plaintiff's Investment:**

Plaintiff invested \$175,000 with Touzi Capital LLC based on representations made by Eng Taing regarding the safety and profitability of the investment.

#### **B. Fraudulent Conduct:**

Subsequent evidence, including findings in the SEC lawsuit, revealed:

- Misrepresentation of investment risks and use of funds.
- Breach of fiduciary duties by Touzi Capital LLC and Eng Taing.
- Financial mismanagement leading to substantial investor losses.

#### **C. Pre-Existing Lawsuit:**

Plaintiff filed an independent lawsuit (Case No. 1:24-cv-08030) before the SEC action, alleging fraud, breach of contract, and unjust enrichment. This demonstrates Plaintiff's proactive and timely response to the misconduct.

#### **D. Specific Funds:**

The \$175,000 invested by Plaintiff was deposited into accounts controlled by Touzi Capital LLC, and those funds are identifiable within the bankruptcy estate.

#### **E. Ongoing SEC Action:**

The SEC's case reinforces the allegations of fraud and mismanagement, validating Plaintiff's claims.

### **IV. SUPPORTING EVIDENCE FROM PRIVATE PLACEMENT MEMORANDA (PPMs)**

Plaintiff submits relevant excerpts from two Private Placement Memoranda (PPMs) provided by Touzi Capital LLC as Exhibit A. These documents collectively outline the terms,

representations, and intended use of funds for the Plaintiff's total investment of \$175,000. The PPMs are directly relevant to this Motion because they:

1. Detail the stated purpose and use of invested funds, which contrasts with the fraudulent conduct identified in this case.
2. Highlight potential conflicts of interest and managerial duties of Touzi Capital LLC and Eng Taing.
3. Demonstrate the traceability of funds provided by the Plaintiff.

For the Court's review, relevant excerpts from each PPM are attached as Exhibit A, including sections reflecting the total investment amount and corresponding terms.

#### **V. RELIEF REQUESTED**

WHEREFORE, Plaintiff respectfully requests that this Court:

1. Impose a constructive trust over \$175,000 within the bankruptcy estate, representing the funds invested by Plaintiff and traceable to Touzi Capital LLC and Eng Taing.
2. Direct the Plan Administrator to hold the identified funds in escrow pending resolution of Plaintiff's claims.
3. Recognize Plaintiff's pre-existing lawsuit as a significant factor supporting priority treatment of the claim.
4. Require Touzi Capital LLC and Eng Taing to provide a detailed accounting of all funds received from Plaintiff and other investors.
5. Acknowledge the financial and emotional harm caused to Plaintiff and his family as a relevant consideration in equitable relief.
6. Consider the attached PPM excerpts (Exhibit A) from both documents as additional supporting evidence for this Motion.

7. Grant such other and further relief as this Court deems just and proper to ensure fairness and equity.

Dated: December 31, 2024

Respectfully Submitted,

/s/ Vince Faridani

Dr. Vince Faridani, Pro Se Plaintiff

8471 Strom Park Drive

Melbourne, FL 32940

Phone: 954-774-1391

Email: VFaridani@hotmail.com

**CERTIFICATE OF SERVICE**

I, Vince Faridani, Pro Se Plaintiff, hereby certify that on December 31, 2024, I served a true and correct copy of the **Plaintiff's Motion for Imposition of Constructive Trust** via first-class mail, postage prepaid, to the following parties:

Touzi Capital LLC

Attn: Eng Taing

1781 La Plaza Dr.

San Marcos, CA 92078

Respectfully Submitted,

/s/ Vince Faridani

Dr. Vince Faridani

Pro Se Plaintiff

# Exhibit A

## GENERAL NOTICES

THIS OFFERING INVOLVES RISKS. SOME, BUT NOT ALL, OF THESE RISKS ARE DISCUSSED IN THE SECTION OF THIS MEMORANDUM ENTITLED "RISK FACTORS AND INVESTMENT CONSIDERATIONS." PLEASE CAREFULLY REVIEW THE OFFERING DOCUMENTS IN THEIR ENTIRETY BEFORE MAKING AN INVESTMENT DECISION. PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY, ITS INVESTMENT STRATEGY, AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED IN MAKING AN INVESTMENT DECISION.

THE COMPANY WILL PROVIDE PROSPECTIVE INVESTORS, PRIOR TO MAKING AN INVESTMENT DECISION, THE OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, THE MANAGER OR ANY PERSON ACTING ON ITS BEHALF, CONCERNING THE TERMS AND CONDITIONS OF THE OFFERING, AND TO OBTAIN ANY ADDITIONAL INFORMATION REGARDING THE COMPANY AS SUCH PROSPECTIVE INVESTORS SHALL DEEM NECESSARY OR APPROPRIATE TO MAKE AN INFORMED INVESTMENT DECISION.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM (OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE COMPANY, THE MANAGER, ITS AFFILIATES, OR THEIR RESPECTIVE EMPLOYEES OR AGENTS) AS LEGAL OR TAX ADVICE AND ARE ADVISED TO CONSULT THEIR OWN COUNSEL, ACCOUNTANT, AND OTHER ADVISORS AS TO LEGAL, TAX, ECONOMIC, AND RELATED MATTERS CONCERNING THIS OFFERING AND ITS SUITABILITY FOR THEM.

THIS MEMORANDUM CONTAINS A FAIR SUMMARY OF THE MATERIAL TERMS OF THE DOCUMENTS PURPORTED TO BE SUMMARIZED HEREIN. HOWEVER, THIS IS A SUMMARY ONLY AND DOES NOT PURPORT TO BE COMPLETE. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW THE OPERATING AGREEMENT AND SUBSCRIPTION AGREEMENT, AND ANY OTHER INFORMATION FURNISHED HERewith, FOR COMPLETE INFORMATION CONCERNING THE RIGHTS AND OBLIGATIONS PERTAINING TO AN INVESTMENT IN THE UNITS.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO ANY PERSON THAT DOES NOT MEET THE SUITABILITY REQUIREMENTS DESCRIBED UNDER "INVESTOR SUITABILITY." REPRODUCTION OF THIS MEMORANDUM IS STRICTLY PROHIBITED. BY ACCEPTING DELIVERY OF THIS MEMORANDUM, THE RECIPIENT AGREES TO RETURN THIS MEMORANDUM AND ALL RELATED DOCUMENTS TO THE COMPANY UPON THE MANAGER'S REQUEST.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANYONE IN ANY STATE OR IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED.

UNLESS OTHERWISE DESCRIBED HEREIN, NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS MEMORANDUM. THE COMPANY HAS NOT AUTHORIZED ANY OFFERING LITERATURE OR ADVERTISING, EXCEPT THE INFORMATION CONTAINED HEREIN OR IN THE OTHER OFFERING DOCUMENTS. ANY INFORMATION OR REPRESENTATION NOT CONTAINED IN THIS MEMORANDUM OR IN THE OTHER OFFERING DOCUMENTS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR THE MANAGER. EXCEPT AS OTHERWISE INDICATED, THIS MEMORANDUM SPEAKS AS OF THE DATE FIRST SET FORTH ABOVE. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY.

#### **JURISDICTIONAL NOTICES**

THE DISTRIBUTION OF THIS MEMORANDUM AND THE OFFER AND SALE OF THE UNITS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY IN ANY STATE OR OTHER U.S. OR NON-U.S. JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH STATE OR JURISDICTION. IT IS THE RESPONSIBILITY OF PROSPECTIVE INVESTORS TO SATISFY THEMSELVES AS TO THE FULL COMPLIANCE OF THE APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT TERRITORY, INCLUDING OBTAINING ANY GOVERNMENTAL OR OTHER CONSENT AND OBSERVING ANY OTHER FORMALITY PRESCRIBED IN SUCH TERRITORY. THE UNITS MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND THIS MEMORANDUM MAY NOT BE DISTRIBUTED IN ANY JURISDICTION, EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH JURISDICTION. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND TAX CONSEQUENCES WITHIN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE, DOMICILE AND PLACE OF BUSINESS WITH RESPECT TO THE ACQUISITION, HOLDING OR DISPOSAL OF THE UNITS, AND ANY FOREIGN EXCHANGE RESTRICTIONS THAT MAY BE RELEVANT THERETO. THIS OFFERING DOES NOT CONSTITUTE AN OFFER OF THE UNITS TO THE PUBLIC, AND NO ACTION HAS BEEN OR WILL BE TAKEN TO PERMIT A PUBLIC OFFERING IN ANY JURISDICTION WHERE ACTION WOULD BE REQUIRED FOR THAT PURPOSE. AS USED IN THIS MEMORANDUM, "\$" OR "DOLLARS" MEANS U.S. DOLLARS.

#### **NOTICE FOR FLORIDA INVESTORS ONLY**

THE SECURITIES BEING OFFERED HAVE NOT BEEN REGISTERED WITH THE FLORIDA DIVISION OF SECURITIES. IF SALES ARE MADE TO FIVE OR MORE FLORIDA PURCHASERS, EACH SALE IS VOIDABLE BY THE PURCHASER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH



PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER OR WITHIN THREE DAYS AFTER AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER, WHICHEVER OCCURS LATER.

#### **NOTICE TO GEORGIA INVESTORS ONLY**

THESE SECURITIES HAVE BEEN ISSUED OR SOLD IN RELIANCE ON PARAGRAPH (13) OF CODE SECTION 10-5-9 OF THE "GEORGIA SECURITIES ACT OF 1973," AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION THAT IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SUCH ACT.

#### **NOTICE TO NEW HAMPSHIRE INVESTORS ONLY**

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE NEW HAMPSHIRE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER NEW HAMPSHIRE RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE NEW HAMPSHIRE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

#### **NOTICE TO FOREIGN INVESTORS**

THE DISTRIBUTION OF THIS MEMORANDUM AND THE OFFER AND SALE OF THE UNITS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES MAY BE RESTRICTED BY LAW. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION. PROSPECTIVE NON-U.S. INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND TAX CONSEQUENCES WITHIN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE, DOMICILE AND PLACE OF BUSINESS WITH RESPECT TO THE ACQUISITION, HOLDING OR DISPOSAL OF THE UNITS, AND ANY FOREIGN EXCHANGE RESTRICTIONS THAT MAY BE RELEVANT THERETO.

#### **FORWARD-LOOKING STATEMENTS**

THIS MEMORANDUM CONTAINS FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. THESE STATEMENTS RELATE TO FUTURE

## MANAGEMENT

### **Touzi Capital & McKenna Capital**

The Company's Manager is Touzi Capital, LLC, a California limited liability company founded by Eng Taing and McKenna Capital, LLC founded by Ryan McKenna.

Touzi Capital is a private investment fund manager. Touzi Capital has acquired over \$250 million in total assets. It currently has \$225M million assets under management.

At Touzi Capital, we are passionate about investing. We base our investment decisions on facts and long-term trends, an approach that sets us apart from our competition. We employ a conservative investment philosophy and have a track record of consistent results.

We are disciplined. We understand the realities of market cycles and the opportunities these cycles create. We focus on the historical trends and determine value by underlying fundamentals and not speculative expectations. We are analytical.

Critical to achieving our goals are the core values we embrace, which include:

- Relationships
- Passion
- Innovation
- Honesty
- Impact
- Communication
- Judgment
- Courage
- Transparency

We value stability – and we are building a company that will be around for years to come. Not only do we have a successful history that spans multiple investment cycles, but we have a strong reputation as a preferred company to do business with. We measure our success by the strength of the relationships we create and the success of our clients and partners.

We have a culture that values doing business the right way. We are thoughtful in the things we do, carefully executing our strategy.

We have built a seasoned team with a successful track record. Today, we have more opportunities than ever before in our history.

Additional information regarding our prior investment projects and investment performance is available to prospective investors on a confidential basis upon request. However, such information is not indicative of the actual or anticipated performance of the Company and no assurances can be made that the Company will invest in similar projects or will have similar results.

**INVESTOR SIGNATURE PAGE  
FOR ENTITY INVESTORS**

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IN WITNESS WHEREOF, the undersigned Investor has signed this Subscription Agreement on the date set forth below.

Entity Investor Name: Vince Faridani

By: Vince Faridani  
[Signature of Authorized Signatory]

By: \_\_\_\_\_  
[Signature of Authorized Co-Signatory,  
if applicable]

Vince Faridani  
[Printed Name of Authorized Signatory]

\_\_\_\_\_  
[Printed Name of Authorized Co-Signatory,  
if applicable]

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Amount Subscribed for: \$50,000.00

Number of Subscribed Units (\$1,000 per Unit): \_\_\_\_\_

Investor EIN / Tax Identification No. (for K-1 taxes): \_\_\_\_\_

**INVESTOR CONTACT INFORMATION:**

If applicable, Business Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Country \_\_\_\_\_

Telephone(s) \_\_\_\_\_

E-Mail(s) \_\_\_\_\_

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*Touzi Mine Invest, LLC*  
*Signature Page to Subscription Agreement - Confidential*

**ACCEPTANCE OF SUBSCRIPTION AGREEMENT**

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IN WITNESS WHEREOF, the foregoing Agreement is hereby accepted by the Manager on behalf of the Company upon the terms and conditions set forth herein.

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**MANAGER:**

Touzi Capital, LLC  
a California limited liability company

By: Eng Taing

Name: Eng Taing

Title: Manager

Dated: 12 / 20 / 2021

**(FOR USE BY THE COMPANY ONLY)**

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*Touzi Mine Invest, LLC  
Acceptance of Subscription Agreement*

**INVESTOR SIGNATURE PAGE**  
**FOR INDIVIDUAL AND MARRIED COUPLE INVESTORS (INCLUDING IRAs\*)**

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IN WITNESS WHEREOF, the undersigned Investor has signed this Agreement on the date set forth below.

Individual Investor Name: Vince Faridani

By: *Vince Faridani*  
[Investor Signature]

By: \_\_\_\_\_  
[Co-Investor Signature, if applicable]

Name: Vince Faridani  
[Investor Printed Name]

Name: \_\_\_\_\_  
[Co-Investor Printed Name, if applicable]

Date: 12/13/2021

Date: \_\_\_\_\_

Amount Subscribed for: \$ 1250000 125000.00

Number of Subscribed Units (\$1,000 per Unit): \_\_\_\_\_

Primary Social Security No. (for K-1 taxes): \_\_\_\_\_

**INVESTOR CONTACT INFORMATION:**

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Country \_\_\_\_\_

Telephone(s) \_\_\_\_\_

E-Mail(s) \_\_\_\_\_

**\*If Investor is an Individual Retirement Account, also complete and sign the next page.**

*Touzi Mine Invest, LLC*  
*Signature Page to Subscription Agreement - Confidential*

IN WITNESS WHEREOF, the Members have executed this Agreement effective as of the date first set forth above.

**MEMBERS:**

(by the Manager in the name and on behalf of the Members in accordance with the limited power of attorney granted by them to the Manager pursuant to their Subscription Agreements)

Touzi Capital, LLC  
a California limited liability company

By: Eng Taing  
Eng Taing, Manager

SIGNATURE PAGE TO  
OPERATING AGREEMENT OF  
TOUZI MINE INVEST, LLC